

Republican Economy vs. Democratic Extravagance.

SPEECH

OF

HON. JAMES G. BLAINE, OF MAINE,

IN THE HOUSE OF REPRESENTATIVES, JULY 2, 1868.

The House being in Committee of the Whole on the Deficiency Appropriation bill—

Mr. BLAINE said:

Mr. CHAIRMAN: We have entered upon a new fiscal year, and the last appropriation bill to provide for its expenditures has been reported and is now before the House. The occasion seems a fit one for a brief survey of our financial situation and for a pertinent answer to the many misrepresentations so industriously set afloat in regard to governmental expenditures. A very labored attempt has been made throughout the country by certain parties and partisans to create the impression that the expenditures of this Congress are on a scale of heedless and reckless extravagance. I propose to show that such is not the fact, but that, on the contrary, the expenditures are made with far more regard to economy than distinguished the last Democratic administration that was in power in this country. The question is one of figures and not of argument, and hence I proceed at once to the figures.

It is important at the outset, to a clear understanding and clear comparison of Government expenditures at the present time and the period immediately preceding the war, to distinguish between those expenditures which were the inevitable consequence of the rebellion, and therefore unavoidable, and those which may be to a certain extent controlled by the discretion and the fidelity of Congress. Of those expenditures, which are the direct outgrowth of the rebellion, I count the interest on the war debt and the pensions and bounties to soldiers and sailors. These are expenditures which are not discretionary but are imperatively demanded, unless the nation is prepared on the one hand to default its creditors, or on the other to turn its back on the brave men who risked everything that the Republic might survive.

The annual interest on the public debt

amounts to one hundred and twenty-nine million six hundred and seventy-eight thousand seventy-eight dollars and fifty cents. The pension-roll for the year will be thirty million three hundred and fifty thousand dollars, and the bounties due and payable will require about thirty million dollars. These three items, which are not discretionary, amount to the large aggregate of nearly one hundred and ninety million dollars, well nigh two thirds of our total outlay for the fiscal year upon which we have just entered. The fact that so large a proportion of our expenditure is the result of the war, and is unavoidable unless we repudiate our obligations to our public creditors and our heroic soldiers, cannot be too often repeated or too thoroughly impressed on the public mind; for it is idle to denounce these expenditures as extravagant unless we are prepared to withhold them; and whoever proposes to withhold them proposes thereby to put the nation at the same time under the doubly disgraceful stigma of repudiation and ingratitude. If the Democratic party choose to assume that position it is welcome to all the glory of it.

For the ordinary expenditures of Government for the fiscal year which has just begun the appropriations are as follows:

Executive, legislative, and judicial, embracing all Department salaries and expenses.....	\$17,480,000 00
For the Army.....	33,081,013 10
For the Navy.....	17,500,000 00
West Point Military Academy.....	302,000 00
Consular and diplomatic service.....	1,206,434 00
Post Office Department.....	2,500,000 00
Indian bureau, treaties, &c.....	2,500,000 00
Rivers and harbors.....	4,700,000 00
Collecting the revenue.....	9,969,000 00
Sundry civil expenditures connected with the various Departments.....	6,020,000 00
Miscellaneous expenses of all kinds, including cost of certain public buildings throughout the country, expenses of reconstruction, expense of closing up Freedmen's Bureau, &c.....	9,000,000 00
Deficiencies of various kinds in the different appropriations.....	2,560,000 00

Making a total of.....\$106,818,447 10

I differ in some items from the recent statement of the honorable chairman of Ways and Means, for I think he included in the expenses of this year a deficiency of thirteen million dollars resulting from the Indian war of 1867; which amount was appropriated and spent last year and has no proper connection whatever with the expenditures of the current fiscal year. And he also includes, incorrectly I think, some twenty-four million appropriations overlapping from the year which has closed to the present. I say incorrectly, because this amount will be offset by a similar amount which overlaps from this year to the next, about the same amount going over each year, and this from necessity owing to the mode of disbursement. I have also made the amount for bounties ten millions less than the chairman estimates, because a large proportion which he includes in this year will necessarily be paid in the ensuing year, when it is hoped the whole matter will be closed, the last soldier honorably paid off, and the Treasury relieved from further obligation in that direction.

Adding together these ordinary expenditures, as I have above, the sum total is found to be one hundred and six million eight hundred and eighteen thousand four hundred and forty-seven dollars. If Congress can be accused of extravagance, the accusation must be made good on these figures, or else abandoned, for the other expenditures, as I have already repeated, lie without the pale of congressional discretion or control. A clear estimate of the character of these expenditures may be gathered by comparing them with the outlays incurred under the last Democratic administration. For example, in 1857-58 the same class of expenses in Buchanan's administration were over seventy million dollars in gold, whereas the one hundred and six million eight hundred and eighteen thousand four hundred and forty-seven dollars above named are in paper. It must be observed, moreover, that in 1857-58 the population of this country was under thirty millions, whereas to-day it is well nigh forty millions. Adding forty per cent. premium on gold, to bring the expenditures of the two eras to the same standard, and we find the outlays of Buchanan were at the rate of over ninety-eight millions in paper to-day. To this add one third for increase of population, and we find the Buchanan expenditures, adjusted to the scale of to-day, would amount to one hundred and thirty million dollars for the same items that we are paying less than one hundred and seven millions for. And in this calculation I have said nothing about the increased military and naval force of the present day, which adds immensely to the account in favor of present economy.

This calculation, stated in these general terms, is far more striking and suggestive when you come to examine details. The Army, for

instance, cost during the four years of Buchanan's administration, by the official statement of the Treasury Department, which I hold in my hand, the large aggregate of \$86,307,575 55, making an average of well nigh twenty-two millions each year in gold. And at that time the Army consisted in all of nineteen regiments; so that each regiment cost considerably over a million each year in gold. The Army at present contains sixty regiments, and yet the whole appropriation asked for by General Grant amounts to little more than thirty-three millions, a trifle more than half a million per regiment each year in paper. In other words, the Army under the peace establishment of a Democratic administration immediately preceding the war cost per regiment largely more in gold than the Army now costs per regiment in paper under the peace establishment as administered by General Grant. The same scale of expenditure indulged in under the administration of Buchanan would make our present Army cost over seventy millions in gold or a hundred millions in paper; and until the latter figure is exceeded the Democratic partisans of Buchanan can have no ground to charge that Army expenses are extravagant. When we look at the actual amount spent for legitimate Army expenses, we see good ground for the high compliment bestowed by President Johnson when, a few months since, he publicly proclaimed "General Grant's judicious economy as the direct cause of saving many millions to the Treasury." With General Grant's election to the Presidency and the final pacification of the southern States, our Army will at once be reduced and the expenditures of the War Department will be brought to a point so inconsiderable as no longer to be felt as a burden to the tax-payer.

The comparison in regard to naval expenditures at the two periods I have named, are equally suggestive and striking. For the four years of Buchanan's administration the Navy, by the official records, cost fifty-two million six hundred and forty-five thousand nine hundred and ninety-eight dollars and eighty-nine cents—showing an average of more than thirteen millions per annum in gold coin. With a much larger Navy, and with the disadvantage of paper money and high prices, our appropriations this year are a trifle under eighteen millions. Taking the difference in the size of the Navy at the two periods and the disparity between gold and paper and we should be authorized, if we followed the Buchanan standard of expenditure, in appropriating well nigh forty millions for the year's service. These facts are certainly suggestive and instructive.

In our Post Office expenditures, as compared with those of the Democratic *regimé*, the difference is, if anything, more striking than in the

relative expenses of the Army and Navy. Besides using up all the postal receipts, the Post Office Department for the three last years of Buchanan's administration made drafts on the Treasury to the amount of over five millions a year, in one year running up to nearly seven millions. During the whole time the Republicans have been in power, the drafts on the Treasury for the support of the postal service have not averaged two million dollars per annum, and with this moderate expenditure we have been enabled to carry on the immense mail service in the interior of the continent and to the shores of the Pacific, through all our remote Territories and sparsely peopled sections, and have also been able to maintain a superb line of mail steamers from San Francisco to Hong Kong and from New York to Rio Janeiro, none of which extraordinary enterprises and expenditures were levied on the Department during Buchanan's administration.

These comparisons might be quite indefinitely continued, exhibiting in each item the same result, and demonstrating with mathematical certainty that when we take into account the vast increase of population and the rapid and unprecedented development of our country during the time the Republican party has been in power, and when we take into further account the fact that we have been all the while subjected as a necessity of the war to the disadvantage of high prices resulting from paper money; taking, I say, these facts into account, I assert and defy contradiction that large as our expenditures have necessarily been they have yet been on a scale of economy and fidelity quite unknown during the last Democratic administration that afflicted the country. And I assert further, and I call both political friend and foe to the witness stand in support of my declaration, that whenever and wherever General Grant has been able to control governmental expenditure, economy, integrity, fidelity, and rigid retrenchment and reduction have been the unvarying result.

Consider further, Mr. Chairman, that while the Republican party has been providing the means for these expenditures, they have been at the same time effecting immense reductions in the public debt and continually and largely reducing taxation. Within the three years that have elapsed since the war closed and the Army was mustered out, we have reduced the public debt between two and three hundred million dollars, and at each session of Congress, while this reduction of the debt was going on, we have taken off millions upon millions of taxation from the productive industry of the nation. At the first session of the Thirty-Ninth Congress, the first that convened after the close of the war, taxes were removed that

had the preceding year yielded a revenue of sixty million dollars, and at the second session of the same Congress forty-one millions more of taxes were promptly repealed. The Fortieth Congress has not been behind the Thirty-Ninth in this respect, for we have already repealed taxes that last year gave us a revenue of ninety millions. And to-day the taxes of the Federal Government are so wisely adjusted, and collected from such few sources that no man feels them burdensome, oppressive, or exacting. Demagogues may misrepresent and partisans may assail, but the people know and feel that to-day the taxes levied by the Federal Government are not an oppression to the individual and not a hindrance to the development of the industrial resources of the land.

The history of the Republican party, Mr. Chairman, is indeed a proud record. Inheriting a bankrupt Treasury, a dishonored credit, and a gigantic rebellion from the traitorous Administration which preceded their advent to power in 1861, the Republicans heroically and successfully grappled with and conquered all these obstacles to the life and progress of the nation. They replenished the Treasury; they redeemed our credit; they subdued the mightiest rebellion that ever confronted civil power since Governments were instituted among men; they struck the shackles from four millions of human beings, and gave them every civil right under the Constitution and laws. And while accomplishing these herculean tasks, the Republican party administered the Government so wisely that prosperity has been all the time abroad in the land; great business enterprises have been undertaken and successfully prosecuted; factories have been built; the forest subdued; farms brought under cultivation; navigable rivers improved; thousands of miles of railway constructed; the continent spanned by telegraph wires; the two oceans well nigh connected by a road of iron; the emigrant protected on the remotest frontier; Territories carved out of the wilderness domain; and new States of promise and power added to the national Union.

What other party in the history of this country ever confronted such difficulties? What other party ever gained such victories? But great as its achievements have been, its work is not yet finished. Out of the fierce conflicts of the recent past, conflicts indeed still raging, order and harmony, conciliation and friendship, are yet to be evoked; not, indeed, by unwise concession and timid compromise, but by that firm policy which is based on Right, and under the leadership of one, who, so terribly earnest in war, is yet to-day the embodiment of peace, the conservator of public justice, the hope of the loyal millions!

Governor Seymour's Misstatements in regard to Army Expenses.

In the House of Representatives, June 27, 1868, Mr. Blaine, of Maine, made the following comments on a misstatement made by Governor Seymour, of New York, in his Cooper Institute speech :

Mr. Speaker, I desire to call attention to a statement made by Governor Seymour in his recent speech at the Cooper Institute in the city of New York. In arraigning the Republican party for extravagance he makes the following declaration, as reported in the New York World, which I hold in my hand :

"Since the war closed in 1865 the Government has spent for its expenses, in addition to its payment on principal or interest of public debt, more than one thousand million dollars. Of this sum there has been nearly eight hundred millions spent on the Army and Navy and for military purposes. This is nearly one third of the national debt. This was spent in time of peace."

The charge thus brought by Governor Seymour is that in the three years that have transpired since the war closed our Army and Navy have cost us eight hundred million dollars, or at the rate of nearly two hundred and seventy millions per annum in time of profound peace. The statement is cunningly made with the evident purpose of misleading the public mind, for while it is quite true that the military and naval expenses since the close of the war have been eight hundred million dollars, it is absolutely untrue that they have been two hundred and seventy millions per annum.

When the war closed by the surrender of Lee on the 9th of April, 1865, the armies of the Union bore the names of nearly a million men on the rolls, and our Navy, in its vast and widely-extended duty of blockading three thousand miles of coast, had nearly five hundred vessels in service, with a corresponding number of men. The first result of Grant's magnificent series of victories and final triumph over the rebellion was to muster out these countless hosts which had borne our standard with such glory on the land and on the sea. Months of pay were due to more than half the Army; the well earned closing bounty was due to all, and the sailors, besides their back pay, were to receive millions of prize money honestly their own. The vast and almost incalculable amount needed to be provided for these purposes must be had at once, and thanks to the patriotism and the wealth of our people it was had at once. I have this morning visited the Treasury Department, and by the official statements which I hold in my hand it appears that the disbursements for the Army and Navy for the one hundred and seventy-four days following Grant's closing victory amounted to six hun-

dred and twenty-five million dollars. Hence it will be seen that more than three fourths of the eight hundred millions so triumphantly paraded by Governor Seymour as the War and Navy expenses of the past three years were really disbursed almost in one sum at the close of hostilities as the necessary expenses of mustering out our enormous military and naval forces. To supply this vast sum the current receipts of the Government were consumed, and the people directly advanced five hundred and thirty millions by subscribing that amount to the ever-memorable seven-thirty loan.

Do Governor Seymour and his friends find fault with the expenditure thus incurred in mustering out the Army? Do they begrudge the soldiers their back pay and bounty and the sailors their hard-earned wages and their prize money? If not, let them cease to attack the Republicans for promptly discharging the honorary debts of the Republic, for thus gladly paying the men who risked their lives to save the life of the nation.

Six hundred and twenty-five millions of Governor Seymour's eight hundred millions being thus expended in mustering out the volunteers, his own figures show that the current and legitimate expense of both Army and Navy for the past three years of peace have been but one hundred and seventy-five million dollars, or a little more than fifty-eight millions per annum for both branches of the service. The Governor's figures thus reduced are not far from the truth, and they show a degree of economy quite unknown in Democratic times. Take the year 1858, for example, in the administration of Mr. Buchanan, and we find that the expenses of the Navy were fourteen millions, and of the Army nearly twenty-six millions—for the two well nigh forty millions—and that was in gold, and with an Army and Navy of less numbers than have been deemed necessary for the security of the public peace during the past three years. Taking the difference in the amount of force and the fact that the expenditures of Mr. Buchanan's administration were in coin and the present expenditure in paper, it will be seen that the result shows strongly in favor of the economy of Army expenses as administered by General Grant. The Army to-day in fact costs much less per regiment in paper than it cost per regiment in gold under the last Democratic Administration. So much for Governor Seymour's figures.